



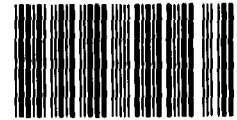
COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON D.C. 20548

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B-114865

FEBRUARY 22, 1984

The Honorable Benjamin J. Guthrie  
Clerk of the House of Representatives



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Dear Mr. Guthrie:

Subject: Review of the Activities of the House Office  
Equipment Service for the Year Ended June 30,  
1983 (GAO/AFMD-84-22)

Pursuant to your May 16, 1983, request, we evaluated whether the Office Equipment Service was controlling the owned and leased equipment of the House of Representatives in accordance with House regulations.

For the year ended June 30, 1983, we examined (1) the controls over owned and leased equipment, (2) selected operating cost transactions and transactions for purchases and disposals of equipment, and (3) the stock of equipment awaiting disposal and equipment available for loan to members, officers, or committees while regular equipment is being repaired. Our examination was made in accordance with generally accepted government auditing standards.

Our examination of selected operating costs, and equipment purchase, lease, and disposal transactions showed them to be recorded in accordance with appropriate accounting principles and standards, and managed in accordance with House regulations. Also, the system used by the House Office Equipment Service to provide control over owned and leased equipment was effective. Accordingly, the Service's procedures and records adequately accounted for the equipment and provided a satisfactory basis for the monthly charges to users of the equipment.

Enclosures I through IV provide additional information on the Service's activities, operating costs, and regulations governing office equipment.

Sincerely yours,

Comptroller General  
of the United States

Enclosures

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COMMENTS ON OPERATIONS OF THE  
HOUSE OFFICE EQUIPMENT SERVICE

Under section 112e of title 2, United States Code, the clerk of the House of Representatives furnishes office equipment, in accordance with the limitations and regulations prescribed by the Committee on House Administration, to (1) members (including the resident commissioner from Puerto Rico and delegates to the House of Representatives from the District of Columbia, Guam, the Virgin Islands, and American Samoa) and (2) officers and committees of the House of Representatives. Other individuals and organizations are provided equipment either directly by the clerk of the House or through their sponsoring members.

The House Office Equipment Service is charged with operating the programs for purchasing, leasing, and servicing House office equipment. The Service's activities are financed through various appropriations available to the House of Representatives, and its operating costs are reported under those appropriations in the quarterly reports of the clerk.

The Committee on House Administration has issued regulations governing office equipment. Enclosures III and IV set forth the portions of the Committee's regulations that pertain to (1) establishing equipment purchase and lease programs for members and (2) authorizing equipment purchases and leases for committees consistent with individual needs. In addition, the clerk may purchase or lease equipment for officers of the House with the approval of the Committee on House Administration.

The June 30, 1983, House Office Equipment Service inventory of purchased equipment consisted of 15,095 items with an acquisition cost of about \$19.3 million. (See encl. II.) Also, about 3,000 items leased at a cost of about \$5.1 million for members, committees, and offices in the year ended June 30, 1983, were controlled by the Office Equipment Service.

We determined that during the year ended June 30, 1983, equipment acquisitions amounted to \$3,820,747, and equipment dispositions, at acquisition cost, amounted to \$1,231,127. Other costs incurred by the Service during the year are summarized on page 3. Those costs exclude the cost of forms obtained from the Government Printing Office and the cost of data processing services, utilities, office furniture, and building space, all of which are charged to other accounts.

## OTHER HOUSE OFFICE EQUIPMENT SERVICE COSTS

Administrative salaries and benefits	\$ 271,282
Operating salaries and benefits	510,053
Equipment leasing costs	5,117,775
Book value of equipment transferred to the General Services Administration (without reimbursement to the Service)	6,014
Office equipment repair parts	94,356
Vendor services	708,926
Office supplies	3,287
Miscellaneous	<u>3,359</u>
	<u>\$6,715,052</u>

HOUSE OF REPRESENTATIVES OFFICE EQUIPMENT SERVICE

SUMMARY OF PURCHASED EQUIPMENT ACCOUNTS

JULY 1, 1982, THROUGH JUNE 30, 1983

<u>Type of equipment</u>	<u>Inventory July 1, 1982</u>		<u>Acquisitions</u>		<u>Disposals</u>		<u>Inventory June 30, 1983</u>	
	<u>Units</u>	<u>Cost</u>	<u>Units</u>	<u>Cost</u>	<u>Units</u>	<u>Cost</u>	<u>Units</u>	<u>Cost</u>
Addressing machine	57	\$ 51,264	1	\$ 1,705	24	\$ 22,012	34	\$ 30,957
Automatic typewriter	996	2,471,399	86	190,387	73	289,805	1,009	2,371,981
Typewriter	6,448	4,014,912	238	192,103	605	272,662	6,081	3,934,353
Dictating machine	1,850	697,616	145	62,753	259	99,111	1,736	661,258
Duplicator	534	404,714	10	17,319	84	54,176	460	367,857
Adding machines and calculators	809	168,263	93	14,187	65	25,618	837	156,832
Telephone accessories	409	247,412	2	800	-	-	411	248,212
Television sets	595	178,724	84	21,803	2	564	677	199,963
Computers	722	2,548,783	148	311,972	47	363,995	823	2,496,760
Television broadcasting	330	1,449,577	1	1,486	-	-	331	1,451,063
Acoustical hoods	108	22,811	33	9,377	29	6,140	112	26,048
Word processors	191	1,157,668	330	1,287,006	-	-	521	2,444,674
Photocopiers	400	2,426,569	170	1,175,421	-	-	570	3,601,990
Facsimile transceivers	44	89,204	46	99,517	-	-	90	188,721
Signature machines	42	43,938	2	3,990	1	1,058	43	46,870
Miscellaneous <sup>a</sup>	<u>1,296</u>	<u>735,755</u>	<u>188</u>	<u>430,921</u>	<u>124</u>	<u>95,986</u>	<u>1,360</u>	<u>1,070,690</u>
<b>Total</b>	<b><u>14,831</u></b>	<b><u>\$16,708,609</u></b>	<b><u>1,577</u></b>	<b><u>\$3,820,747</u></b>	<b><u>1,313</u></b>	<b><u>\$1,231,127</u></b>	<b><u>15,095</u></b>	<b><u>\$19,298,229</u></b>

<sup>a</sup> Includes automatic letter openers and sealers, automatic letter folders and inserters, delivery trucks, pagers, camera equipment, cash registers, and other miscellaneous equipment.

Note: This summary does not include about 3,000 pieces of office equipment that the Office Equipment Service leased and controlled for members, committees, and officers in fiscal year 1983 at a cost of about \$5.1 million. This summary was developed by GAO based on information provided by the House Office Equipment Service.

House of Representatives  
Committee on House Administration  
Members' Regulations

**Provisions Relating to Office Equipment**

a Office equipment shall be furnished to Members for use in their offices by the Clerk of the House from an approved list of such equipment established by the Committee on House Administration. No other equipment may be acquired without the specific approval of the Committee.

b Members Allowance for Official Expenses will be charged a monthly user fee for all equipment under their control. Such user fee will be determined based upon the terms and conditions applicable to individual items of equipment as listed in the approved list of equipment.

c. The Clerk of the House will furnish equipment to be charged jointly to the allowances of two or more Members, provided that—

(1) the sharing agreement clearly defines the allocation of the user fee and liability for damage or loss;

(2) the sharing agreement clearly defines the conditions for termination;

(3) the sharing agreement specifies the location of the equipment; and

(4) prior approval of the joint sharing agreement has been obtained from the Committee on House Administration.

d. When a new Member is elected to Congress he will inherit the equipment charged to his predecessor subject to the following conditions:

(1) The inherited equipment will be retained by the new Member for a period of at least 30 days following his taking the oath of office.

(2) From 30 to 90 days after his taking the oath of office, a Member may dispose of any equipment that has proved excessive or otherwise unsatisfactory. Requests for disposition will be made in writing to the Clerk of the House.

(3) After 90 days from the Member's oath of office, such equipment will be disposed of in accordance with the procedures outlined in paragraph e.

e. Equipment will be disposed of as follows:

(1) Requests for dispositions are to be made in writing by Member to the Clerk of the House.

(2) The equipment, except manual typewriters, will be turned in to the Clerk of the House for disposal, only (i) if its rental plan has expired; (ii) if the condition is such that it is not economically feasible to keep the item operat-

ing; (iii) if the item has become obsolete due to substantial design changes; or (iv) if the item is fully depreciated. Manual typewriters may be turned in at any time.

(3) The Clerk of the House will examine the equipment under the 5 year plan to determine whether it meets the criteria for disposal.

(4) Disputes with the Clerk of the House as to the determination of whether an item meets the criteria for disposal may be submitted to the Committee on House Administration.

(5) Equipment may be disposed by the Clerk, at the direction of the Committee on House Administration, through the General Services Administration, open market trade-in, or any other manner advantageous to the House; except that, no equipment may be sold or traded to any individual other than on a competitive basis. The Clerk shall not, under this authority, sell or trade any equipment to Members, officers or employees of the House.

(6) If a Member has equipment which is surplus to his needs, but which does not qualify for disposal, he may, upon written notification to the Clerk of the House, arrange with a Member who desires the item, to transfer it to the other Member's account at the current usage fee.

f. All equipment furnished will be subject to the following inventory procedures:

(1) At the beginning of each session of Congress, the Clerk will send a list (in duplicate) to each Member. Each Member will return one copy to the Clerk certifying that the items are in his office. If the certification is not received within 30 days the Clerk will conduct a physical inventory of the local equipment so charged. An affidavit will be sent to verify the presence of listed equipment in the district office.

(2) When a Member has been defeated in an election, or otherwise leaves office, the Clerk will conduct an immediate physical inventory of the equipment assigned to that Member's office. If the departing Member is a committee chairman, the Clerk will also inventory the equipment assigned to the committee. In any periods during which a vacancy exists in a congressional district the staff employee in charge of operations in the vacated office is responsible for the assigned equipment.

(3) When, through inventory or other means, it is determined that an item of equipment is damaged or lost, the Member should inform the Clerk of the House by letter, explaining the circumstances surrounding the loss of the item, or if damaged, how such damages occurred. Upon receipt of this letter, the Clerk will order an investigation of the occurrence in an effort to locate the missing item or items and ascertain the circumstances surrounding the loss or damage. At the completion of the investigation, the Clerk will send to the Committee on House Administration a copy of the letter, a copy of the investigation report (including an objective statement as to the cause of the loss or damage) and a letter indicating the value of the item at the time it was discovered missing, or if damaged, the extent of the damage, the result of his investigation, and his action to dispose of the case.

(4) If it is determined that the Member or responsible official is liable he or she will be charged with the established trade-in value or the depreciated book value of the item, whichever is higher. Liability will be determined on the facts supporting each case. In cases involving the loss of or damage to an item while the equipment is outside the assigned office, the Member or responsible official will be held liable.

(5) The Clerk's decision as to liability shall be final and binding unless, within 30 days, the Member or responsible official requests in writing a hearing before the Committee on House Administration.

(6) Payment of a charge levied against a Member or responsible official must be made within 30 days of the date of final decision. If a charge is made against a Member or responsible official leaving the House payroll for any reason, payment will be deducted from his final paycheck.

(7) The equipment will be dropped from the inventory and limitation records when payment is made or when the Member or responsible official is absolved of liability by the Committee on House Administration.

House of Representatives  
Committee on House Administration  
Committees' Regulations

**O. OFFICE EQUIPMENT**

1 Committees may acquire equipment consistent with individual needs based on personnel, workload, and other factors. Such equipment will be purchased or leased by the Clerk of the House from a list approved by the Committee on House Administration, as appropriate, and the committee will be charged a monthly use charge for all equipment under its control and this fee will be charged against the funds provided to the committee to carry out its studies and investigation.

2. Requests for equipment should be addressed to the Clerk of the House, should describe the type of equipment desired, and should include the plan under which the committee wishes to acquire the equipment.

3 Requests for equipment not on the approved list will be forwarded to the Committee on House Administration. Upon approval, the Committee on House Administration will direct the Clerk to provide the equipment.

4. At the beginning of each session of Congress, the Clerk will send a list (in duplicate) to each committee, or office of the House, showing assigned equipment. Each Chairman of a committee or top official of an office, will return one copy to the Clerk certifying that the items are in the committee offices. If the certification is not received within 30 days the Clerk will conduct a physical inventory of the equipment so charged.

5. When a committee Chairman has been defeated in an election, or otherwise leaves office, the Clerk will conduct an immediate physical inventory of the equipment assigned to that committee. In any periods during which a vacancy exists in a committee chairmanship or House office, the staff employee in charge of operations in the vacated office is responsible for the assigned equipment.

6. In the event of the change of the majority in the House, there shall be an immediate physical inventory of the offices affected.

7 The removal of office equipment, other than dictating equipment, from its assigned Washington office, is prohibited except for repairs by authorized dealers. Interoffice moves of equipment will be accomplished only by the Office Equipment Service, Office of the Clerk.

8. When, through inventory or other means, it is determined that an item of equipment is damaged or lost, the Chairman should inform the Clerk of the House by letter, explaining the circumstances surrounding the loss of the item or if damaged, how such damages occurred. Upon receipt of this letter, the Clerk will order an investigation of the occurrence in an effort to locate the missing item or items and ascertain the circumstances surrounding the loss or damage. At the completion of the investigation, the Clerk will send to the Committee on House Administration a copy of the letter, a copy of the investigation report (including an objective statement as to the cause of the loss or damage) and a letter indicating the value of the item at the time it was discovered missing, or if damaged, the extent of the damage, the result of his investigation, and his action to dispose of the case.

9. If it is determined that the Chairman or responsible official is liable he or she will be charged with the established trade-in value or the depreciated book value of the item, whichever is higher. Liability will be determined on the facts supporting each case. In cases involving the loss of or damage to an item while the equipment is outside the assigned office, the Chairman or responsible official will be held liable.

10. The Clerk's decision as to liability shall be final and binding unless, within 30 days, the Chairman or responsible official requests a hearing before the Committee on House Administration.

11. Payment of a charge levied against a Chairman or responsible official must be made within 30 days of the date of final decision. If a charge is made against a Chairman or responsible official leaving the House payroll for any reason, payment will be deducted from his final paycheck.

12. The equipment will be dropped from the inventory and limitation records when payment is made or when the Chairman or responsible official is absolved of liability by the Committee on House Administration.